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UNCLAS SECTION 01 OF 03 OTTAWA 003305

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SUBJECT: MEETING OF U.S./CANADA AIR QUALITY COMMITTEE

¶1. Summary: The U.S./Canada Air Quality Committee met December 2 in Ottawa to review air quality issues affecting the two countries. The meeting included discussions of acid rain, ozone, scientific cooperation and research, consultations and notifications, particulate matter, marine vessel emissions, border air quality projects, and health science initiatives. The United States was represented by officials from the Environmental Protection Agency, the Department of State, and Embassy ESTOFFs. Representing Canada were officials from the ministries of Environment, Health, Natural Resources and Foreign Affairs, as well as provincial officials from British Columbia, Ontario, and Quebec. Bilateral meetings on air quality have taken place regularly since 1991, when the two countries signed the U.S./Canada Air Quality Agreement. An Ozone Annex was added to the Agreement in 2000, and negotiation of a Particulate Matter Annex is under consideration. End summary.

Acid Rain

¶2. Both countries reported considerable progress in reducing emissions of sulfur dioxide (SO2) and nitrogen oxides (NOx), the precursors of acid rain. The U.S. SO2 and NOx emissions reduction programs were cited as major successes, with the United States achieving emissions reductions well beyond targets. There was a slight increase in SO2 emissions in 2003, as industry used "banked" allowances, but the overall emissions trend will continue to be downward. U.S. SO2 emissions in 2003 were 38 percent below 1980 levels, and NOx emissions in 2003 were 37 percent below 1990 levels.

¶3. Canada has also reduced SO2 and NOx emissions beyond the national targets, although Canada's strategy is to pursue an effects-based approach rather than the U.S. tradable allowance system. SO2 emissions in Canada are down by 50 percent from 1980 levels. Environment Canada officials said they are concerned, however, about tests showing increased soil acidification in forests in Eastern Canada. The two countries have prepared a joint proposal for an Acid Rain Symposium at the meeting of the Ecological Society of America (ESA) in October 2005 in Montreal, a venue which would provide a broader forum for discussion and publication of data.

Ozone Annex Compliance

¶4. The United States and Canada signed the Ozone Annex to the Air Quality Agreement in December 2000 to reduce NOx and volatile organic compound (VOC) emissions, the precursor pollutants to ground-level ozone. The affected areas, a transboundary region known as the Pollution Emission Management Area, or PEMA, includes most of the U.S. midwest and northeast and large portions of Ontario and Quebec. In the United States, the NOx SIP (State Implementation Program) Call requires affected states to ensure that NOx emissions do not exceed specified seasonal levels. Reduction strategies include implementing a cap and trade program for power plants and large industrial boilers, motor vehicle standards and low sulfur standards for fuels, as well as measures to address VOC controls on smaller sources.

¶5. Canada reported that it will meet its commitment to cap NOx emissions from power plants in Ontario and Quebec. Representatives from Ontario said that fulfilling the provincial government's pledge to close coal plants will enable the province to achieve targeted NOx emissions reductions, and that any new power plants in the province must be at least as clean as natural gas facilities. The government of Ontario is also considering a Renewable Portfolio Standard, a requirement that a set percentage of electricity come from renewable sources, for any power imported into the province.

Scientific Cooperation and Research

¶6. In the last several years, joint air quality science efforts have focused on particulate matter (PM). The United States and Canada recently completed a joint transboundary

assessment report on PM, which may serve to guide future discussions regarding a possible PM Annex to the Air Quality Agreement (see paragraph 10). The two countries have also made progress on developing emission inventories, as well as coordination of research and development of protocols and formats for sharing of data.

Consultations and Notifications

¶7. Officials from Environment Canada expressed satisfaction with notification protocols regarding transboundary issues, citing the example of the Algoma Steel Mill Consultation Group. The mill, located on the border in Sault Ste. Marie, Ontario, is responsible for depositing pollutants on the U.S. side, as well as having an affect on visibility in a National Park on Michigan's Upper Peninsula. The consultation group provides an opportunity for stakeholders on both sides of the border, including tribal governments, to address the problem cooperatively. Similarly, the consultation process has provided a framework for the United States to express its concerns regarding a proposed petroleum coke gasification power plant in Thunder Bay, Ontario, about 50 kilometers from the U.S. border.

Particulate Matter

¶8. According to EPA officials, PM is now one of the highest U.S. air quality priorities. There are significant health effects from PM, and EPA expects that many areas of the United States will be exceeding the National Ambient Air Quality Standards for fine PM in 2004. The current U.S. focus is on inorganic precursors of PM, such as sulfates. Analysis of the pending U.S. proposal to further reduce fine PM has shown that health benefits far outweigh the cost of controlling PM.

¶9. Canadian officials said they are compiling database links to track PM sources such as wood burning, cement and steel manufacturing, and vehicle emissions. Canada is also studying the contributions of agricultural ammonia to PM, and officials said that this year's drastic culling of chickens in British Columbia because of the Asian Bird Flu is serving as the basis of a study to compare PM concentrations from ammonia before and after the cull.

¶10. The two countries agreed to hold an informal meeting before September 2005 to identify issues of common interest regarding PM, including steps towards consideration of a PM Annex to the Air Quality Agreement.

Marine Vessel Emissions

¶11. Both the United States and Canada cited the need to institute stricter emissions standards for large marine vessels. The problem is evident in the Georgia Basin/Puget Sound area, where both Seattle and Vancouver operate competitive port facilities as well as large fleets of passenger ferries. According to Canadian officials, a 2000 study showed marine vessels contributing to 33 percent of SO2 and 22 percent of NOx emissions in the lower Fraser Valley, where Vancouver is located.

Border Air Quality Strategy Pilot Projects

¶12. The United States and Canada are currently conducting three pilot projects under the Border Air Quality Strategy announced in June 2003. The projects include the U.S.-Canada Emissions Trading Feasibility Study, the Georgia Basin-Puget Sound International Airshed Strategy, and the Great Lakes Basin Airshed Management Framework. The latter has focused on the Detroit-Windsor area, with a U.S./Canada steering committee and four subgroups addressing airshed characterization, policy needs, voluntary early actions, and outreach/communications. Both the United States and Canada are conducting joint air quality modeling, sharing data, and looking at the feasibility of transboundary emissions trading. For the Georgia Basin/Puget Sound project, activities currently center on conducting airshed characterization of ozone, PM, and visibility patterns.

Health Science Initiatives

¶13. Officials on both sides acknowledged significant gaps in the understanding of health effects of specific types of air pollution, especially PM. Canada is conducting a study in Windsor, Ontario, on the effects of PM on children, while the United States is conducting a complementary study in Detroit, just across the border.

Next Steps

¶14. In addition to preliminary discussions in September 2005 regarding a PM Annex and the possibility of an Acid Rain Symposium in October 2005, the two countries tentatively agreed to hold next year's Air Quality Committee meeting the week of November 9 in Washington. The Committee also accepted the recently released 2004 Air Quality Agreement Progress Report, which may be accessed at http://www.epa.gov/airmarkets/usca/2004report /html.

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